

(0100935004)

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

19909

JAN 24 1996 PM

19909 -A

JAN 24 1996 PM

January 24 1996

RECEIVED
JAN 24 11 15 AM '96
OFFICE OF SECRETARY

New Recordation No. and -A

Dear Mr. Williams:

On behalf of Manufacturers Bank, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of two documents not previously recorded. The first of the two documents (to be filed under a new Recordation No.) is entitled Master Equipment Lease Agreement ("Lease"), dated October 31, 1995. The second of the two documents (to be filed under the new Recordation No. -A) is entitled Notice of Assignment and Amendment Agreement ("Assignment/Amendment"), dated DECEMBER 27, 1995.

1. The parties to the first document, the enclosed Lease (to be recorded under a new Recordation No.), are:

Diversified Financial Corporation
Suite 1603
5330 Waterbury Drive
Crestwood, IL 60445

— LESSOR

Indiana Harbor Belt Railroad Company
2721 161st Street
Hammond, IN 46323

— LESSEE

The said Lease, among other things, acts to lease by the Lessor to the Lessee two (2) locomotives as identified in Schedule A of the Lease.

A short summary of the Lease to appear in the index established under 49 U.S.C. § 11301(b) is as follows:

"Lease of 2 locomotives, IHB 3801 and 3802"

2. The parties to the second document, the enclosed Assignment/Amendment, (to be recorded under the aforesaid new Recordation No. -A) are:

Diversified Financial Corporation Suite 1603 5330 Waterbury Drive Crestwood, IL 60445	—	<u>ASSIGNOR</u>
--	---	-----------------

Manufacturers Bank 1200 North Ashland Avenue Chicago, IL 60622	—	<u>ASSIGNEE</u>
--	---	-----------------

The said Assignment/Amendment, among other things, acts to assign by the Assignor to the Assignee a security interest in the above Lease, and also makes some amendments to the Lease, and should be recorded as "-A" under the same Recordation No. as the said Lease.

The equipment covered by the instant Assignment/Amendment is the equipment covered in the above-mentioned Lease.

A short summary of the Assignment/Amendment to appear in the index established under 49 U.S.C. § 11301(b) is as follows:

"Assignment of interest in above Lease and amends Lease."

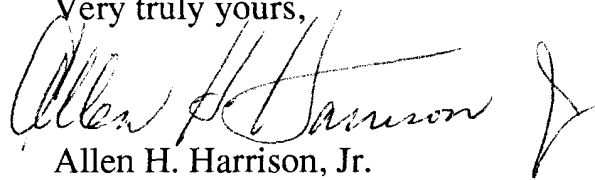
Please index separately the name of the above-mentioned Assignee in the Surface Transportation Board's "Vendee/Assignee" index book ("white pages") as follows:

Index under Manufacturers Bank, "See Recordation No.
19969 -A."

Enclosed is a check in the amount of forty-two dollars (\$42.00) in payment of the filing fees.

Once the filings have been made, please return to bearer the stamped counterpart(s) of the documents not required for filing purposes, together with the letter/fee receipt from the Surface Transportation Board acknowledging the filings, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in cursive script, reading "Allen H. Harrison, Jr.", followed by a large, stylized flourish.

Allen H. Harrison, Jr.
*Attorney for Manufacturers
Bank for the purposes of
this filing.*

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures

BY HAND

8391-020



Interstate Commerce Commission
Washington, D.C. 20423-0001

1/24/96

Office Of The Secretary

Allen H. Harrison, Jr.
Donelan, Cleary, Wood & Maser, PC.
1100 New York Ave., NW., Ste. 750
Washington, DC., 20005-3934

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/24/96 at 12:00PM, and assigned recordation number(s). 19909 and 19909-A.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

0100935004

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW
SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

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19909-A

January 24 1996

New Recordation No. and -A

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OFFICE OF SECRETARY

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Suite 1603
5330 Waterbury Drive
Crestwood, IL 60445

Indiana Harbor Belt Railroad Company — LESSEE
2721 161st Street
Hammond, IN 46323

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Suite 1603
5330 Waterbury Drive
Crestwood, IL 60445

Manufacturers Bank — ASSIGNEE
1200 North Ashland Avenue
Chicago, IL 60622

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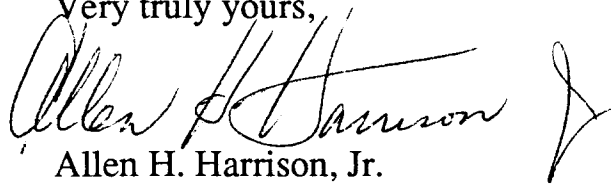
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Very truly yours,

A handwritten signature in cursive script, reading "Allen H. Harrison, Jr.", followed by a large, stylized flourish or checkmark-like mark.

Allen H. Harrison, Jr.
*Attorney for Manufacturers
Bank for the purposes of
this filing.*

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures

BY HAND

8391-020

How do we do it?

**DIVERSIFIED FINANCIAL
CORPORATION**

5330 Waterbury Dr. Suite 1603
Crestwood, Illinois 60445

19909

24

PM

MASTER EQUIPMENT LEASE AGREEMENT

LESSEE: INDIANA HARBOR BELT RAILROAD ("LESSEE")

AGREEMENT NO: 103195

LESSEE ADDRESS: 2721 161st ST. HAMMOND IN 46323

AGREEMENT DATE: October 31, 1995

INITIAL TERM OF LEASE: 48 Months

MONTHLY RENTAL PAYMENT: \$ 16,422

EQUIPMENT: See Schedule

TERMS AND CONDITIONS OF LEASE

1. **LEASE:** Lessor hereby leases to Lessee and Lessee hereby leases and rents from Lessor the above personal property, said property with all replacement parts, additions, repairs and accessories incorporated therein, and/or affixed thereto, being herein referred to as "Equipment".

2. **RENTAL:** As rental for the Equipment, Lessee agrees to pay to Lessor, during the initial term of this Lease, the rental payment as specified under "Monthly Rental Payment" above.

3. **SELECTION OF EQUIPMENT - NO WARRANTIES BY LESSOR AS TO MERCHANTABILITY OR FITNESS:**

Lessee acknowledges that it has selected the type, quantity and supplier of the equipment referred to herein and that it has requested Lessor to purchase the same for leasing to Lessee. Lessee agrees that the equipment and each part or unit thereof is of a design, size, quality and capacity required by Lessee and is suitable for its purposes. Lessee further agrees that Lessor has not made and does not hereby make any representation, warranty or covenant, express or implied as to merchantability or fitness for any particular purpose; and Lessor does hereby specifically disclaim any warranty, express or implied of merchantability or fitness, or with respect to the condition, quality, durability, capability or suitability of Equipment or against any patent or latent defects therein. Lessee specifically waives any claim against Lessor for any liability, claim, loss, damage or expense of any kind or nature caused directly or indirectly by the Equipment or the inadequacy thereof for any purpose or for any deficiency or defect therein or for any repairs, servicing or adjustments thereto, or for any loss of business, or for any damage whatsoever or howsoever caused. Lessee further agrees to accept delivery of the Equipment and that the validity of this Lease shall not be affected by any delay in shipment by the supplier. No defect of the Equipment shall relieve Lessee of the obligation to pay rent or performance of other terms of this Lease. Lessee hereby authorizes Lessor to add to this Lease the serial number of each item of Equipment delivered, the date of shipment and other material information.

4. **TERM OF LEASE:** This Lease shall commence on the date payment is made for the property by Lessor and the term of this Lease shall begin on the first day of the month following such payment and shall continue for an initial term as indicated above, subject to the early termination and purchase option detailed in Addendum A.

5. **LOCATION AND RIGHT OF INSPECTION:** The Equipment at all times shall be located at the address of Lessee specified here or such other place as shall be mutually agreed upon between Lessor and Lessee. Lessor shall at any and all times during business hours have the right to enter into and upon the premises where the Equipment may be located for the purpose of inspecting the same or observing its use. Lessee shall not move the Equipment from the location in which said Equipment shall be first delivered for use, except with the written consent of Lessor. Lessee shall promptly advise Lessor of any circumstances which may in any manner affect any item of Equipment or in any manner affect Lessor's title thereto.

6. **TITLE AND USE:** Title to all of said Equipment shall at all times be solely in Lessor or its assignee, and Lessee shall have no interest or claims thereto or therein except as herein provided. Lessee shall, however, unless default shall occur as hereinafter provided have the right to possession of said Equipment and the quiet enjoyment thereof. Lessee shall at all times use the Equipment in a careful and proper manner and shall comply with all laws, ordinances and regulations in any manner relating to the possession, use or maintenance of the Equipment and shall if directed by Lessor affix to said Equipment in a prominent place and maintain thereon any labels, plates or other identifying markings indicating that the Equipment is the property of Lessor. Lessee will not sublet, mortgage, pledge, sell or otherwise encumber or dispose of Equipment or its interest therein.

7. **OPERATION OF EQUIPMENT:** Lessee will use said Equipment only in the normal course of its business and only for the purpose for which said Equipment was designed. Lessee assumes all risks and liability for the Equipment and for the use, possession, operation, maintenance, storage and condition thereof, and for injuries or death resulting to persons and damage resulting to property arising from or incident to such use, operation, possession, maintenance, storage and condition, whether such injuries, death or damage be to agents or employees of Lessee or their property, or to third parties or their property. Lessee will save and hold Lessor harmless from all losses, damages, claims, penalties, liabilities and expenses including attorney's fees of whatsoever nature arising or incurred because of or incident to the use, possession, operation, maintenance, storage and condition of said Equipment. Upon expiration or termination of this Lease, Lessee at its expense shall immediately return said Equipment to Lessor at a location designated by Lessor within 500 miles of Equipment location in the same condition as when received, reasonable wear, tear and reasonable depreciation resulting from proper use thereof alone excepted.

8. **REPAIRS AND ALTERATIONS:** Lessee will keep and maintain equipment in good working order and shall supply and install all replacement parts and accessories when required to maintain the leased Equipment in good working condition, which parts and accessories shall be and become the sole property of Lessor. Lessee shall not, without prior written consent of Lessor, make any alterations, modifications, additions, subtractions or improvements to the Equipment, but if so authorized by Lessor, any such additions, subtractions or improvements shall become the property of Lessor and shall be deemed to be a part of the leased Equipment.

9. **TAXES:** Lessee shall keep the Equipment free and clear of all levies, liens and encumbrances and shall pay all license fees, registration fees, assessments, charges and taxes (municipal, state and federal) including personal property taxes, Indiana Gross Receipts Tax, and any use tax which may now or hereafter be imposed upon the leasing, possession or use of the Equipment, and including any penalties, interest, or delinquency charges accruing by reason of Lessee's non

payment. In addition, Lessee agrees to pay all expenses including legal fees where, with Lessee's consent, the validity or amount of any tax or assessment shall be challenged. The use of the term "sales tax" in this document does not mean to imply that this is a "sale" but some jurisdictions refer to the term interchangeably with "use tax". The parties acknowledge that this is a true Lease.

10. LESSOR'S RIGHT TO PAY INSURANCE PREMIUMS AND TAXES: In case of failure of Lessee to pay said fees, assessments, charges and taxes, all as herein specified, Lessor shall have the right but shall not be obligated to pay said fees, assessments, charges and taxes as the case may be. In the event, the cost thereof shall be repayable to Lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequence, including the late charge and interest provided in paragraph 17 hereof.

11. LOSS AND DAMAGE: Lessee shall bear the entire risk of loss, theft, damage or destruction of Equipment from any cause whatsoever, and no loss, theft, damage or destruction of Equipment shall relieve Lessee of the obligation to pay rent or any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair. If Lessor determines that any item of Equipment is lost, stolen, destroyed, or damaged beyond repair, Lessee at the option of Lessor will (a) replace the same with like Equipment in good repair, or (b) pay Lessor in cash all of the following: (i) all the amounts then owed by Lessee to Lessor under this Lease, (ii) an amount equal to forty five percent (45%) of the actual cost of said item and (iii) the unpaid balance of the total rent for the initial term of this Lease attributable to said item, less any proceeds of insurance thereon received by Lessor. Upon Lessor's receipt of such payment, Lessee shall be entitled to whatever interest Lessor may have in said item, in its then condition and location, without warranties, express or implied. The parties hereto agree that the sum of the amount numbered (ii) and (iii) will equal the fair value of said item on the date of such loss, theft, damage or destruction.

12. DEFAULT: (a) If Lessee fails to pay any rent or other amount herein provided within ten (10) days after the same is due and payable, or if Lessee fails to perform any other provision hereof within ten (10) days after notice thereof from Lessor, or if Lessee is adjudicated a bankrupt, suspends business, becomes insolvent, makes an assignment for the benefit of creditors or enters into or petitions for a creditor's arrangement or if an attachment be levied or a lien be filed against any of Lessee's property or against Equipment or if a receiver be appointed for any of Lessee's property, then and upon the happening of any of such events the entire balance of the rent called for by this Lease shall, at the election of Lessor become forthwith due and owing and Lessor shall have the right, but shall not be obligated to exercise any one or more of the following remedies: (i) sue for and recover all rents and other amounts then due or thereafter accruing under this Lease (ii) take possession of the Equipment and for the purpose thereof may enter the premises on which Equipment is located without court order or other process of law (damages occasioned by such taking are expressly waived by Lessee) and thereupon Lessee's right to possession and use of Equipment shall terminate, but Lessee shall be and remain liable for the total rent for the term as set forth in paragraph 4 hereof; (iii) sell or lease any or all of items of Equipment at public or private sale for cash or on credit, or, if leased, to such persons and upon such terms as Lessor shall elect, and recover from Lessee all costs of taking possession, storing, repairing and selling or Leasing Equipment, together with an amount equal to forty five percent (45%) of the actual cost to Lessor of the items of Equipment sold or leased and the unpaid balance of the total rent for the initial term of this Lease attributable to the items of Equipment sold or leased less the net proceeds of such sale or the total rent under such Lease; (iv) terminate this Lease as to any or all items of Equipment; (v) in the event Lessor elects to terminate this Lease as to any or all items of Equipment, to recover from Lessee as to each item subject to such termination, the worth at the time of such termination, of the excess, if any, of the amount of rent reserved herein for said item for the balance of the term hereof over the then reasonable rental value of said item for the same period of time.

(b) No right or remedy conferred upon or reserved to Lessor by this Lease shall be exclusive of any other right or remedy herein or by law provided, the rights and remedies conferred upon Lessor by this Lease or by law shall be cumulative and in addition to every other right or remedy available to Lessor.

(c) In the event of any default on the part of Lessee, Lessee shall pay in addition to any late payment charges that may be due under Paragraph 17 hereof, all costs, expenses and disbursements incurred by Lessor in exercising its rights or remedies hereunder or enforcing any of the provisions or terms hereof, including attorney's fees and court costs, if Lessor shall place the matter with an attorney for collection and enforcement.

(d) should Lessor be in default hereunder as to any item of Equipment, Lessee may not, because of such default, terminate this Lease as to any other item of Equipment.

(e) Time is of the essence hereof.

13. NO ASSIGNMENT BY LESSEE: Without the prior written consent of Lessor, Lessee shall not (a) assign, transfer, pledge or hypothecate this Lease, the Equipment or any part thereof, or any interest therein, or (b) sublet or rent the Equipment or any part thereof or permit the Equipment or any part thereof to be used by anyone other than Lessee or Lessee's employees. Consent to any of the foregoing prohibited acts applies only in the given instance, and is not a consent to any subsequent like act by Lessee or any other person,

14. LESSOR'S ASSIGNMENT: Lessee acknowledges and understands that Lessor may assign this Lease to a bank or other financial institution and that such assignee shall be entitled to all of the benefits of this Lease including all credit and financial information that Lessee shall have therefore or thereafter submitted to Lessor. In connection therewith Lessee agrees (a) to recognize any such assignment upon receipt of written notice thereof (b) to accept the directions, demands or consents of such assignee in place of those of Lessor, (c) to pay all rent hereunder as directed by such assignee and not to terminate this Lease. Notwithstanding any default on the part of Lessor or any other liability or obligation on the part of Lessor to Lessee whether or not arising hereunder; (d) not to require such assignee to perform any duty, covenant or condition required to be performed by Lessor, all rights of Lessee in connection therewith being hereby waived as to such assignee, provided that nothing hereinbefore contained shall relieve Lessor of its obligations to Lessee hereunder; (e) not to set up against such assignee any defenses, setoffs or counterclaims which it may have against Lessor in regard to the payment of rent hereunder.

15. WARRANTIES: (a) Lessor may request the supplier to authorize Lessee to enforce in its own name all warranties, agreements or representations, if any, which may be made by the supplier to Lessee or Lessor. (BUT NO DEFECT, UNMERCHANTABILITY, OR UNFITNESS OF THE EQUIPMENT SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR ANY OTHER OBLIGATION UNDER THIS LEASE.)

(b) Lessor covenants that subject to the terms and conditions of this Lease, Lessee shall peaceably and quietly hold, possess and use equipment during the term of this Lease.

16. PERSONAL PROPERTY: The Equipment is, and shall at all times be and remain, personal property notwithstanding that the Equipment or any part of thereof may now be, or hereafter become, in any manner affixed or attached to, or imbedded in, or permanently resting upon, real property or any building thereon, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.

17. LATE PAYMENT: Should Lessee fail to pay any part of the rent herein reserved or any other sum required to be paid by Lessee to Lessor within 10 days after the due date thereof, Lessee shall pay unto Lessor a charge of \$ 50 for each month or part thereof for which said rent or other sum shall be delinquent which

Lessee acknowledges is a reasonable charge to cover Lessor's extra expense. In addition, Lessee shall pay to Lessor interest on such delinquent payment from the due date thereof until paid at the rate of 18% per annum.

18. OFFSET: Lessee hereby waives any and all existing and future claims and offsets, against any rent or other payments due hereunder; and agrees to pay the rent and other amounts hereunder regardless of any offset or claim which may be asserted by lessee or on its behalf. Lessee hereby further acknowledges that the manufacturer or vendor of the leased Equipment including their agents and employees, were at no time and are not now the agent or under the supervision of the Lessor, nor was or is the Lessor in any manner, the agent of the manufacturer or vendor.

19. NON WAIVER: No covenant or condition of this Lease can be waived except by the written consent of Lessor. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Lessee to which the same may apply, and until complete performance by Lessee of said covenant or condition, Lessor shall be entitled to invoke any remedy available to Lessor under this Lease or by law or in equity despite said forbearance or indulgence.

20. NO ABATEMENT IN RENT: This Lease is irrevocable for the full term hereof and until the aggregate rentals provided for herein have been paid by Lessee. Rent shall not abate during the term hereof because Lessee's right to possession of Equipment has terminated, or because Equipment has been repossessed, or for any other reason.

21. NOTICES: Service of all notices under this Agreement shall be sufficient if given personally or mailed by Certified Mail to the party involved at its respective address hereinbefore set forth, or at such address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when receipt of delivery is acknowledged.

22. OTHER DOCUMENTS: Should the Lessee be domiciled or reside in a state which has adopted the Uniform Commercial Code or if the Equipment shall be located in such state then; if at any time this transaction shall be construed to be a security transaction, this Lease shall be deemed to be the security agreement, and Lessor shall be the secured party herein and Lessee the debtor. Lessee agrees to execute and deliver to Lessor contemporaneously with the execution hereof, or at any time during the existence of this Lease if requested by Lessor to do so, a financing statement to comply with the provisions of the Uniform Commercial Code which Lessor shall be authorized to file with the appropriate filing officer; provided however that nothing herein, nor the execution of the said financing statement, shall constitute an acknowledgment that this transaction is subject to the Uniform Commercial Code.

23. MISCELLANEOUS: It is understood that this written Agreement, and the Schedules which are or may be attached hereto constitute the entire agreement between the parties and no other representation or statements shall be deemed binding upon the parties nor shall this Agreement be amended, altered or modified except by written agreement signed by the parties hereto. Time is of the essence of this Agreement and its provisions. This Lease shall be governed and construed in accordance with the laws of the State of Illinois.

24. SUCCESSORS: Subject to the provisions hereof this agreement shall be binding upon and inure to the benefit of the heirs, administrators, successors, and assigns of the parties hereto.

25. STATEMENTS: In the event of default for more than 60 days, Lessor may require from time to time, and Lessee agrees to furnish statements setting forth the financial condition and operations of Lessee.

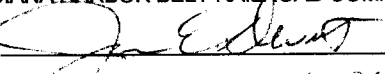
26. VEHICLES: If the Equipment is a motor vehicle, Lessee shall (a) permit only licensed drivers to operate same who shall be employees of Lessee, (b) use the vehicle for its own needs and not for hire, (c) do nothing which shall increase or suspend insurance coverage thereon, and (d) assume sole responsibility for the payment of wages, unemployment and workman's compensation insurance, and social security requirements of such employees.

27. MASTER LEASE: In the event Lessor shall hereafter lease to Lessee additional "Equipment", as said term is used herein, said Equipment shall be described on a Schedule or Schedules executed by the parties which shall make reference to this "Lease of Personal Property." Each said Schedule shall in addition to describing the Equipment therein leased, set forth the terms of the Lease, the amount of rental, the manner of payment of the rentals, the commencement date of the rental payments, the amount of any security deposit, and such other provisions as may be included therein. Each such Schedule when executed by the parties shall be deemed to be a part of this "Lease of Personal Property", and all of the provisions hereof, except such as may be inconsistent, shall govern said Schedule or Schedules, it being understood and agreed that this "Lease of Personal Property" shall be the Master Lease.

28. DEFAULT - WHERE ADDITIONAL LEASES OR SCHEDULES: IF Lessee fails to pay any rent or other amount of any other lease or schedule, whether heretofore or hereafter entered into, within ten (10) days after the same is due and payable, or if Lessee fails to perform any other provision of this or any other lease or schedule within ten (10) days after notice thereof from Lessor, it shall constitute a default in all leases or schedules, including this Lease and thereupon the provisions of Paragraph 12 above shall be applicable, including the right of Lessor to apply any security deposit or other collateral pledged to it by Lessee under any Lease to cure such default to the extent applicable. If this Lease or any other lease or schedule heretofore or hereafter entered into between Lessor and Lessee shall be determined to be a security transaction, or if Lessee shall default resulting in liquidation, resale or re-leasing of the leased Equipment, then in such event Lessor shall be deemed to have as of the date hereof and is granted a security interest in all of the Leased Equipment described in all leases then outstanding between Lessor and Lessee and the proceeds from any such liquidation, resale or re-leasing shall be applied by Lessor to the aggregate total of obligations due and to become due it plus its charges, expenses and reasonable attorney's fees.

29. ADDITIONAL PROVISIONS: Addendum "A"

INDIANA HARBOR BELT RAILROAD COMPANY "LESSEE"

BY: 
TITLE: COMPTROLLER DATE: 10/31/95

DIVERSIFIED FINANCIAL CORPORATION "LESSOR"

BY: 
TITLE: PRESIDENT DATE: 10/31/95

ADDENDUM "A"

ATTACHMENT TO LEASE AGREEMENT 103195 SCHEDULE A BETWEEN DIVERSIFIED FINANCIAL CORPORATION ("LESSOR") AND INDIANA HARBOR BELT RAILROAD COMPANY ("LESSEE")

PURCHASE OPTION

If no event of default shall have occurred and this Lease shall not have been earlier terminated, Lessor shall at "Lessee's Request" at least one month prior to the expiration of the initial term, offer Lessee an option to purchase all of the Equipment leased hereunder at a price equal to the then fair market value as determined by and in the sole and absolute discretion of, Lessor. By written notice, Lessee may request that Lessor provide this purchase option price quotation at an earlier date. If Lessee chooses to exercise this purchase option, upon satisfactory completion of the lease, Lessee shall pay Lessor the purchase price and Lessor shall transfer title by Bill of Sale to all of the Equipment to Lessee, free and clear of all liens and encumbrances.

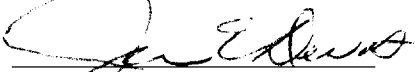
At Lessee's option, the purchase price may be paid to Lessor in twelve equal consecutive monthly payments beginning with the first month immediately following the expiration date of the lease. A carrying charge equal to the prime rate of interest plus 2% as in effect at the Citicorp bank on the expiration date of the lease will be fixed on that date and added to the amount of each installment as interest until the purchase has been completed at which time Lessor shall transfer title to all of the Equipment to Lessee. If, as of the expiration date of the lease Lessee has not notified Lessor in writing of its intention to exercise this option, the terms of the Lease shall be extended for an additional 18 1/2 consecutive months, beginning with the first month after the initial expiration date of the Lease, at the same periodic rental payment specified in the Lease Agreement.

EARLY TERMINATION OPTION

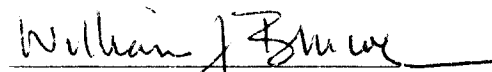
At anytime after 36 months from the commencement date of this Lease, if no event of default shall have occurred, Lessee shall be entitled, at its option, to exercise an early termination option by paying to Lessor, an amount equal to the sum of: (i) the then fair market value of all of the Equipment leased herein as determined by, and in the sole and absolute discretion of, Lessor at the time this option is exercised, plus (ii) the remaining aggregate rents due on the date this option is exercised, such rents discounted at an annual rate of 6%, plus (iii) an early termination fee equal to \$ 360,000.00.

Nothing in this Addendum "A" shall limit in any way, Lessor's rights and remedies under any other provision of this Lease.

INDIANA HARBOR BELT RAILROAD
LESSEE


BY: John E. DeWitt
Comptroller
October 31, 1995

DIVERSIFIED FINANCIAL CORP.
LESSOR


BY: William J. Briscoe
President
October 31, 1995

DIVERSIFIED FINANCIAL CORPORATION

Schedule: A **To Lease Agreement No.** 103195 **Dated** October 31, 1995
Lessee: Indiana Harbor Belt Railroad *COMPANY*
Schedule Date: October 31, 1995
Equipment Location: 2721 161st St. Hammond IN 46323
Commencement Date: Upon Acceptance of Equipment
Manufacturer: Electro-Motive Division

Minimum Term : 48 Months after the first day of the month following the commencement date of the last unit installed.

Quantity	Type	Model	Description	Serial Number	Monthly Rent
2	GP38-2		2,000 HP Alternating Diesel Locomotives	R-N IHE3801 R-N IHE3802	\$ 16,422

Insurance value: \$795,000.00

Indiana Harbor Belt Railroad *COMPANY*
LESSEE

By: 

Title: Comptroller

Date: October 31, 1995

Diversified Financial Corporation.
LESSOR

By: 

Title: President

Date: October 31, 1995

STATE OF INDIANA)
) SS
COUNTY OF LAKE)

I, Diane R. Fender, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOHN DeWITT whose title is COMPTROLLER of INDIANA HARBOR BELT RAILROAD COMPANY an INDIANA Corporation, and known to me to be the same person whose name is subscribed to the foregoing instrument, as such COMPTROLLER, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Corporation as aforesaid, for the use and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 2nd day of January
1996

Diane R. Fender
Notary Public

My Commission Expires:

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Diane R. Fender  
Notary Public, State of Indiana  
Lake County  
My Commission Expires 09/19/98  
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, ANGELO MAZZONI, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that WILLIAM J. BRISCO whose title is PRESIDENT of DIVERSIFIED FINANCIAL CORPORATION an ILLINOIS Corporation, and known to me to be the same person whose name is subscribed to the foregoing instrument, as such PRESIDENT, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Corporation as aforesaid, for the use and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 10th day of January

1996

Angelo Mazzoni
Notary Public

My Commission Expires

